

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 886 - SB 953**

March 17, 2015

**SUMMARY OF BILL:** Requires the state to offer insurance to part time employees who have been employed 60 days and work 640 hours or more in a fiscal year. Currently, part-time employees have to be employed for at least 24 months and work 1,450 hours per fiscal year.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$52,048,600**

**Assumptions:**

- Based on information from the Department of Finance and Administration, Division of Benefits Administration, there are approximately 102 current part-time employees who are enrolled in the state sponsored health plan. The division does not have information on how many current part-time employees are eligible for the state sponsored health plan.
- Based on information provided by the division, there are approximately 5,513 total part-time employees. Approximately 90 percent of all full-time employees are currently enrolled in the state sponsored health plan. Applying that ratio to the current part-time employees who are enrolled in the plan, it is estimated that approximately 113 part-time employees are currently eligible for state sponsored health insurance (102 part-time enrollees / 0.90).
- It is estimated that the remaining 5,400 part-time employees (5,513 – 113), will be eligible for state sponsored health insurance under the provisions of the bill. Applying the same ratio as full-time employee enrollment, it is estimated at least 4,860 (5,400 x 0.90) part-time employees will enroll in the state sponsored health plans.
- The Division of Benefits Administration compared the estimated part-time employee enrollment to the current full-time employee enrollment pattern. Also, since premiums are based on a calendar year, the calculation included the state portion of the monthly premiums for one-half of calendar year 2015 and one-half of calendar year 2016.
- Using that same comparison for the estimated 4,860 additional part-time employees to join the state sponsored health plan, the estimated increase in recurring state expenditures is \$52,048,562 which is based on July – Dec. of 2015 expenditures of \$25,576,689 and Jan. – June of 2016 expenditures of \$26,471,873.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

**HB 886 - SB 953**

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is written in a cursive style with a large, stylized "J" and "S".

Jeffrey L. Spalding, Executive Director

/kml